

TABLE 4.4

**SNET  
POSTRETIREMENT HEALTH  
ACTUARIAL VALUATION**

**Annual Rates Of Employee Separation From Service  
Before Eligibility For Service Retirement**

**Female Employees**

**Management**

| Service<br>in years<br>t | Rates Of Separation During Year t + .5 to t + 1.5 For Employees Entering<br>Service At Specimen Ages |      |      |      |      |      |      |      |
|--------------------------|--|------|------|------|------|------|------|------|
|                          | 15   | 20   | 25   | 30   | 35   | 40   | 45   | 50   |
| 0                        | .095   | .095 | .094 | .092 | .088 | .084 | .080 | .080 |
| 1                        | .083   | .082 | .077 | .072 | .068 | .064 | .064 | .066 |
| 2                        | .070   | .069 | .065 | .057 | .047 | .039 | .033 | .032 |
| 3                        | .058   | .058 | .056 | .046 | .029 | .025 | .027 | .032 |
| 4                        | .050   | .051 | .052 | .038 | .020 | .019 | .021 | .031 |
| 5                        | .042   | .044 | .047 | .032 | .017 | .014 | .016 | .030 |
| 6                        | .040   | .040 | .042 | .027 | .015 | .013 | .014 | .029 |
| 7                        | .040   | .038 | .031 | .024 | .015 | .013 | .013 | .022 |
| 8                        | .039   | .034 | .024 | .017 | .015 | .013 | .013 | .025 |
| 9                        | .036   | .030 | .021 | .014 | .014 | .013 | .013 | .030 |
| 10                       | .034   | .027 | .018 | .013 | .014 | .014 | .014 | .030 |
| 11                       | .030   | .023 | .016 | .010 | .013 | .014 | .015 | .030 |
| 12                       | .026   | .020 | .016 | .010 | .011 | .015 | .016 | .030 |
| 13                       | .023   | .019 | .015 | .010 | .010 | .016 | .016 | .030 |
| 14                       | .020   | .018 | .014 | .010 | .009 | .016 | .020 |      |
| 15                       | .017   | .016 | .013 | .010 | .010 | .017 | .022 |      |
| 16                       | .013   | .012 | .012 | .009 | .011 | .017 | .023 |      |
| 17                       | .011   | .010 | .010 | .009 | .011 | .017 | .024 |      |
| 18                       | .009   | .009 | .009 | .009 | .012 | .017 | .027 |      |
| 19                       | .007   | .008 | .009 | .009 |      |      |      |      |
| 20                       | .007   | .008 | .009 | .010 |      |      |      |      |
| 21                       | .007   | .008 | .009 | .011 |      |      |      |      |
| 22                       | .007   | .007 | .008 | .011 |      |      |      |      |
| 23                       | .007   | .007 | .008 | .012 |      |      |      |      |
| 24                       | .007   | .007 |      |      |      |      |      |      |
| 25                       | .007   | .007 |      |      |      |      |      |      |
| 26                       | .006   | .007 |      |      |      |      |      |      |
| 27                       | .006   | .008 |      |      |      |      |      |      |
| 28                       | .006   | .008 |      |      |      |      |      |      |

Source: Industry-wide Management Experience 1975-1978.

Note: Based on separations for all causes.

TABLE 5.1

**SNET  
POSTRETIREMENT HEALTH  
ACTUARIAL VALUATION**

**Annual Rates Of Retirement On Service Pension**

**Male Employees**

**Nonmanagement**

| Service<br>in years<br>t | Rates Of Retirement During Year $t + .5$ to $t + 1.5$ For Employees Entering<br>Service At Specimen Ages |       |       |       |       |       |       |       |
|--------------------------|--|-------|-------|-------|-------|-------|-------|-------|
|                          | 15   | 20    | 25    | 30    | 35    | 40    | 45    | 50    |
| 14                       |  |       |       |       |       |       |       | .5000 |
| 15                       |  |       |       |       |       |       |       | .3000 |
| 16                       |  |       |       |       |       |       |       | .3000 |
| 17                       |  |       |       |       |       |       |       | .3000 |
| 18                       |  |       |       |       |       |       |       | .3000 |
| 19                       |  |       |       |       | .0550 | .0900 | .5000 | .9903 |
| 20                       |  |       |       |       | .0420 | .0650 | .3000 |       |
| 21                       |  |       |       |       | .0300 | .2090 | .3000 |       |
| 22                       |  |       |       |       | .0330 | .2790 | .3000 |       |
| 23                       |  |       |       |       | .0410 | .2060 | .3000 |       |
| 24                       |  |       | .0160 | .0330 | .0440 | .5000 | .9903 |       |
| 25                       |  |       | .0150 | .0260 | .0560 | .3000 |       |       |
| 26                       |  |       | .0160 | .0280 | .2270 | .3000 |       |       |
| 27                       |  |       | .0170 | .0360 | .2930 | .3000 |       |       |
| 28                       |  |       | .0190 | .0430 | .2200 | .3000 |       |       |
| 29                       | .0210  | .0280 | .0320 | .0500 | .5000 | .9903 |       |       |
| 30                       | .0180  | .0195 | .0390 | .0700 | .3000 |       |       |       |
| 31                       | .0195  | .0270 | .0430 | .2540 | .3000 |       |       |       |
| 32                       | .0210  | .0345 | .0460 | .3190 | .3000 |       |       |       |
| 33                       | .0225  | .0390 | .0540 | .2350 | .3000 |       |       |       |
| 34                       | .0255  | .0460 | .0670 | .5000 | .9903 |       |       |       |
| 35                       | .0270  | .0530 | .0880 | .3000 |       |       |       |       |
| 36                       | .0315  | .0590 | .2850 | .3000 |       |       |       |       |
| 37                       | .0375  | .0640 | .3540 | .3000 |       |       |       |       |
| 38                       | .0405  | .0730 | .2520 | .3000 |       |       |       |       |
| 39                       | .0520  | .0910 | .5000 | .9903 |       |       |       |       |
| 40                       | .0580  | .1080 | .3000 |       |       |       |       |       |
| 41                       | .0620  | .3300 | .3000 |       |       |       |       |       |
| 42                       | .0680  | .3930 | .3000 |       |       |       |       |       |
| 43                       | .0790  | .2720 | .3000 |       |       |       |       |       |
| 44                       | .0980  | .5000 | .9903 |       |       |       |       |       |
| 45                       | .1160  | .3000 |       |       |       |       |       |       |
| 46                       | .3510  | .3000 |       |       |       |       |       |       |
| 47                       | .4110  | .3000 |       |       |       |       |       |       |
| 48                       | .2830  | .3000 |       |       |       |       |       |       |
| 49                       | .5000  | .9903 |       |       |       |       |       |       |
| 50                       | .3000  |       |       |       |       |       |       |       |
| 51                       | .3000  |       |       |       |       |       |       |       |
| 52                       | .3000  |       |       |       |       |       |       |       |
| 53                       | .3000  |       |       |       |       |       |       |       |
| 54                       | .9903  |       |       |       |       |       |       |       |

Source: Industry-wide Nonmanagement Experience 1975-1978.

TABLE 5.2

**SNET**  
**POSTRETIREMENT HEALTH**  
**ACTUARIAL VALUATION**

**Annual Rates Of Retirement On Service Pension**

**Female Employees**

**Nonmanagement**

| Service<br>in years<br>t | Rates Of Retirement During Year $t + .5$ to $t + 1.5$ For Employees Entering<br>Service At Specimen Ages |       |       |       |       |       |       |       |
|--------------------------|--|-------|-------|-------|-------|-------|-------|-------|
|                          | 15   | 20    | 25    | 30    | 35    | 40    | 45    | 50    |
| 14                       |  |       |       |       |       |       |       | .5000 |
| 15                       |  |       |       |       |       |       |       | .3000 |
| 16                       |  |       |       |       |       |       |       | .3000 |
| 17                       |  |       |       |       |       |       |       | .3000 |
| 18                       |  |       |       |       |       |       |       | .3000 |
| 19                       |  |       |       |       | .1830 | .2500 | .5000 | .9949 |
| 20                       |  |       |       |       | .1090 | .1260 | .3000 |       |
| 21                       |  |       |       |       | .0950 | .2840 | .3000 |       |
| 22                       |  |       |       |       | .0950 | .3030 | .3000 |       |
| 23                       |  |       |       |       | .0980 | .2640 | .3000 |       |
| 24                       |  |       | .0900 | .1300 | .1070 | .5000 | .9949 |       |
| 25                       |  |       | .0510 | .0850 | .1100 | .3000 |       |       |
| 26                       |  |       | .0520 | .0900 | .2880 | .3000 |       |       |
| 27                       |  |       | .0550 | .0950 | .3100 | .3000 |       |       |
| 28                       |  |       | .0580 | .1000 | .2700 | .3000 |       |       |
| 29                       | .0600  | .0780 | .0800 | .1110 | .5000 | .9949 |       |       |
| 30                       | .0510  | .0550 | .0870 | .1160 | .3000 |       |       |       |
| 31                       | .0510  | .0650 | .0930 | .2960 | .3000 |       |       |       |
| 32                       | .0530  | .0700 | .0990 | .3220 | .3000 |       |       |       |
| 33                       | .0588  | .0830 | .1050 | .2790 | .3000 |       |       |       |
| 34                       | .0650  | .0990 | .1180 | .5000 | .9949 |       |       |       |
| 35                       | .0710  | .1040 | .1260 | .3000 |       |       |       |       |
| 36                       | .0790  | .1100 | .3120 | .3000 |       |       |       |       |
| 37                       | .0860  | .1140 | .3460 | .3000 |       |       |       |       |
| 38                       | .0960  | .1200 | .2930 | .3000 |       |       |       |       |
| 39                       | .1170  | .1320 | .5000 | .9949 |       |       |       |       |
| 40                       | .1160  | .1430 | .3000 |       |       |       |       |       |
| 41                       | .1210  | .3400 | .3000 |       |       |       |       |       |
| 42                       | .1270  | .3810 | .3000 |       |       |       |       |       |
| 43                       | .1330  | .3120 | .3000 |       |       |       |       |       |
| 44                       | .1460  | .5000 | .9949 |       |       |       |       |       |
| 45                       | .1550  | .3000 |       |       |       |       |       |       |
| 46                       | .3660  | .3000 |       |       |       |       |       |       |
| 47                       | .4080  | .3000 |       |       |       |       |       |       |
| 48                       | .3280  | .3000 |       |       |       |       |       |       |
| 49                       | .5000  | .9949 |       |       |       |       |       |       |
| 50                       | .3000  |       |       |       |       |       |       |       |
| 51                       | .3000  |       |       |       |       |       |       |       |
| 52                       | .3000  |       |       |       |       |       |       |       |
| 53                       | .3000  |       |       |       |       |       |       |       |
| 54                       | .9949  |       |       |       |       |       |       |       |

Source: Industry-wide Nonmanagement Experience 1975-1978.

TABLE 5.3

**SNET**  
**POSTRETIREMENT HEALTH**  
**ACTUARIAL VALUATION**

**Annual Rates Of Retirement On Service Pension**

**Male Employees**

**Management**

| Service<br>in years<br>t | Rates Of Retirement During Year $t + .5$ to $t + 1.5$ For Employees Entering<br>Service At Specimen Ages |       |       |       |       |       |       |       |
|--------------------------|--|-------|-------|-------|-------|-------|-------|-------|
|                          | 15.  | 20    | 25    | 30    | 35    | 40    | 45    | 50    |
| 14                       |  |       |       |       |       |       |       | .5000 |
| 15                       |  |       |       |       |       |       |       | .3000 |
| 16                       |  |       |       |       |       |       |       | .3000 |
| 17                       |  |       |       |       |       |       |       | .3000 |
| 18                       |  |       |       |       |       |       |       | .3000 |
| 19                       |  |       |       |       | .0600 | .0860 | .5000 | .9903 |
| 20                       |  |       |       |       | .0360 | .0500 | .3000 |       |
| 21                       |  |       |       |       | .0320 | .1350 | .3000 |       |
| 22                       |  |       |       |       | .0340 | .2110 | .3000 |       |
| 23                       |  |       |       |       | .0410 | .1680 | .3000 |       |
| 24                       |  |       | .0160 | .0310 | .0630 | .5000 | .9903 |       |
| 25                       |  |       | .0150 | .0260 | .0720 | .3000 |       |       |
| 26                       |  |       | .0160 | .0340 | .1860 | .3000 |       |       |
| 27                       |  |       | .0180 | .0460 | .2610 | .3000 |       |       |
| 28                       |  |       | .0210 | .0610 | .2180 | .3000 |       |       |
| 29                       | .0130  | .0130 | .0340 | .0970 | .5000 | .9903 |       |       |
| 30                       | .0120  | .0130 | .0410 | .1260 | .3000 |       |       |       |
| 31                       | .0120  | .0180 | .0480 | .2350 | .3000 |       |       |       |
| 32                       | .0120  | .0220 | .0630 | .3070 | .3000 |       |       |       |
| 33                       | .0140  | .0240 | .0810 | .2640 | .3000 |       |       |       |
| 34                       | .0150  | .0530 | .1170 | .5000 | .9903 |       |       |       |
| 35                       | .0160  | .0620 | .1610 | .3000 |       |       |       |       |
| 36                       | .0190  | .0710 | .2700 | .3000 |       |       |       |       |
| 37                       | .0240  | .0900 | .3400 | .3000 |       |       |       |       |
| 38                       | .0270  | .1100 | .2890 | .3000 |       |       |       |       |
| 39                       | .0740  | .1480 | .5000 | .9903 |       |       |       |       |
| 40                       | .0850  | .1960 | .3000 |       |       |       |       |       |
| 41                       | .0950  | .3030 | .3000 |       |       |       |       |       |
| 42                       | .1140  | .3620 | .3000 |       |       |       |       |       |
| 43                       | .1420  | .2970 | .3000 |       |       |       |       |       |
| 44                       | .1800  | .5000 | .9903 |       |       |       |       |       |
| 45                       | .2200  | .3000 |       |       |       |       |       |       |
| 46                       | .3260  | .3000 |       |       |       |       |       |       |
| 47                       | .3740  | .3000 |       |       |       |       |       |       |
| 48                       | .3030  | .3000 |       |       |       |       |       |       |
| 49                       | .5000  | .9903 |       |       |       |       |       |       |
| 50                       | .3000  |       |       |       |       |       |       |       |
| 51                       | .3000  |       |       |       |       |       |       |       |
| 52                       | .3000  |       |       |       |       |       |       |       |
| 53                       | .3000  |       |       |       |       |       |       |       |
| 54                       | .9903  |       |       |       |       |       |       |       |

Source: Industry-wide Management Experience 1975-1978.

TABLE 5.4

**SNET  
POSTRETIREMENT HEALTH  
ACTUARIAL VALUATION**

**Annual Rates Of Retirement On Service Pension**

**Female Employees**

**Management**

| Service<br>in years<br>t | Rates Of Retirement During Year $t + .5$ to $t + 1.5$ For Employees Entering<br>Service At Specimen Ages |       |       |       |       |       |       |       |
|--------------------------|--|-------|-------|-------|-------|-------|-------|-------|
|                          | 15   | 20    | 25    | 30    | 35    | 40    | 45    | 50    |
| 14                       |  |       |       |       |       |       |       | .5000 |
| 15                       |  |       |       |       |       |       |       | .3000 |
| 16                       |  |       |       |       |       |       |       | .3000 |
| 17                       |  |       |       |       |       |       |       | .3000 |
| 18                       |  |       |       |       |       |       |       | .3000 |
| 19                       |  |       |       |       | .1800 | .3540 | .5000 | .9949 |
| 20                       |  |       |       |       | .1260 | .1360 | .3000 |       |
| 21                       |  |       |       |       | .1260 | .2850 | .3000 |       |
| 22                       |  |       |       |       | .1290 | .3240 | .3000 |       |
| 23                       |  |       |       |       | .1330 | .2700 | .3000 |       |
| 24                       |  |       | .0610 | .1040 | .1340 | .5000 | .9949 |       |
| 25                       |  |       | .0400 | .0960 | .1460 | .3000 |       |       |
| 26                       |  |       | .0420 | .1210 | .2870 | .3000 |       |       |
| 27                       |  |       | .0460 | .1290 | .3270 | .3000 |       |       |
| 28                       |  |       | .0470 | .1310 | .2770 | .3000 |       |       |
| 29                       | .0400  | .0450 | .0690 | .1390 | .5000 | .9949 |       |       |
| 30                       | .0290  | .0320 | .0790 | .1610 | .3000 |       |       |       |
| 31                       | .0340  | .0400 | .1010 | .2900 | .3000 |       |       |       |
| 32                       | .0380  | .0440 | .1250 | .3350 | .3000 |       |       |       |
| 33                       | .0460  | .0460 | .1340 | .2920 | .3000 |       |       |       |
| 34                       | .0490  | .0930 | .1520 | .5000 | .9949 |       |       |       |
| 35                       | .0520  | .1010 | .1810 | .3000 |       |       |       |       |
| 36                       | .0540  | .1200 | .3000 | .3000 |       |       |       |       |
| 37                       | .0560  | .1320 | .3490 | .3000 |       |       |       |       |
| 38                       | .0590  | .1360 | .3150 | .3000 |       |       |       |       |
| 39                       | .1030  | .1640 | .5000 | .9949 |       |       |       |       |
| 40                       | .1160  | .2040 | .3000 |       |       |       |       |       |
| 41                       | .1290  | .3200 | .3000 |       |       |       |       |       |
| 42                       | .1350  | .3750 | .3000 |       |       |       |       |       |
| 43                       | .1450  | .3440 | .3000 |       |       |       |       |       |
| 44                       | .1740  | .5000 | .9949 |       |       |       |       |       |
| 45                       | .2120  | .3000 |       |       |       |       |       |       |
| 46                       | .3490  | .3000 |       |       |       |       |       |       |
| 47                       | .3980  | .3000 |       |       |       |       |       |       |
| 48                       | .3680  | .3000 |       |       |       |       |       |       |
| 49                       | .5000  | .9949 |       |       |       |       |       |       |
| 50                       | .3000  |       |       |       |       |       |       |       |
| 51                       | .3000  |       |       |       |       |       |       |       |
| 52                       | .3000  |       |       |       |       |       |       |       |
| 53                       | .3000  |       |       |       |       |       |       |       |
| 54                       | .9949  |       |       |       |       |       |       |       |

Source: Industry-wide Management Experience 1975-1978.

TABLE 6.1

**SNET  
POSTRETIREMENT HEALTH  
ACTUARIAL VALUATION**

**Annual Rates Of Mortality Among Active Employees**

| <b>Management and Nonmanagement</b> |  |               |                  |  |               |
|-------------------------------------|--|---------------|------------------|--|---------------|
| <b>Age<br/>x</b>                    | <b>Rates of Mortality<br/>During Year of Age<br/>x + .5 to x + 1.5</b> |               | <b>Age<br/>x</b> | <b>Rates of Mortality<br/>During Year of Age<br/>x + .5 to x + 1.5</b> |               |
|                                     | <b>Male</b>  | <b>Female</b> |                  | <b>Male</b>  | <b>Female</b> |
| 15                                  | .0011  | .0003         | 43               | .0021  | .0013         |
| 16                                  | .0011  | .0003         | 44               | .0024  | .0015         |
| 17                                  | .0011  | .0003         | 45               | .0027  | .0017         |
| 18                                  | .0011  | .0003         | 46               | .0030  | .0019         |
| 19                                  | .0010  | .0003         | 47               | .0034  | .0021         |
| 20                                  | .0010  | .0003         | 48               | .0038  | .0022         |
| 21                                  | .0009  | .0003         | 49               | .0041  | .0024         |
| 22                                  | .0009  | .0004         | 50               | .0045  | .0025         |
| 23                                  | .0008  | .0004         | 51               | .0050  | .0026         |
| 24                                  | .0008  | .0004         | 52               | .0055  | .0027         |
| 25                                  | .0008  | .0004         | 53               | .0061  | .0030         |
| 26                                  | .0008  | .0004         | 54               | .0068  | .0033         |
| 27                                  | .0008  | .0004         | 55               | .0075  | .0037         |
| 28                                  | .0007  | .0005         | 56               | .0083  | .0040         |
| 29                                  | .0007  | .0005         | 57               | .0092  | .0044         |
| 30                                  | .0007  | .0006         | 58               | .0102  | .0049         |
| 31                                  | .0007  | .0006         | 59               | .0111  | .0053         |
| 32                                  | .0007  | .0007         | 60               | .0121  | .0058         |
| 33                                  | .0007  | .0007         | 61               | .0132  | .0063         |
| 34                                  | .0008  | .0008         | 62               | .0143  | .0068         |
| 35                                  | .0008  | .0008         | 63               | .0154  | .0074         |
| 36                                  | .0009  | .0008         | 64               | .0165  | .0080         |
| 37                                  | .0011  | .0009         | 65               | .0177  | .0086         |
| 38                                  | .0012  | .0009         | 66               | .0190  | .0093         |
| 39                                  | .0013  | .0010         | 67               | .0202  | .0101         |
| 40                                  | .0015  | .0010         | 68               | .0215  | .0110         |
| 41                                  | .0016  | .0011         | 69               | .0228  | .0119         |
| 42                                  | .0018  | .0012         |                  |  |               |

Source: Industry-wide experience 1973-1977.

TABLE 6.2

**SNET  
POSTRETIREMENT HEALTH  
ACTUARIAL VALUATION**

**Annual Rates Of Mortality For Service Pensioners**

**Management and Nonmanagement**

| Age<br>x | Rates of Mortality<br>During Year of Age<br>x + .5 to x + 1.5 |        | Age<br>x | Rates of Mortality<br>During Year of Age<br>x + .5 to x + 1.5 |        |
|----------|---|--------|----------|---|--------|
|          | Male  | Female |          | Male  | Female |
| 45       | .0530   | .0200  | 78       | .0660   | .0400  |
| 46       | .0480   | .0180  | 79       | .0720   | .0440  |
| 47       | .0440   | .0170  | 80       | .0780   | .0480  |
| 48       | .0400   | .0150  | 81       | .0840   | .0530  |
| 49       | .0360   | .0140  | 82       | .0900   | .0600  |
| 50       | .0320   | .0130  | 83       | .0980   | .0680  |
| 51       | .0290   | .0120  | 84       | .1080   | .0760  |
| 52       | .0260   | .0110  | 85       | .1190   | .0880  |
| 53       | .0240   | .0100  | 86       | .1320   | .0970  |
| 54       | .0220   | .0100  | 87       | .1450   | .1060  |
| 55       | .0210   | .0090  | 88       | .1570   | .1170  |
| 56       | .0200   | .0090  | 89       | .1730   | .1270  |
| 57       | .0190   | .0090  | 90       | .1870   | .1390  |
| 58       | .0180   | .0090  | 91       | .2020   | .1510  |
| 59       | .0180   | .0090  | 92       | .2170   | .1650  |
| 60       | .0180   | .0090  | 93       | .2330   | .1800  |
| 61       | .0180   | .0090  | 94       | .2480   | .1970  |
| 62       | .0180   | .0100  | 95       | .2650   | .2160  |
| 63       | .0190   | .0100  | 96       | .2820   | .2370  |
| 64       | .0200   | .0110  | 97       | .3000   | .2580  |
| 65       | .0210   | .0120  | 98       | .3190   | .2800  |
| 66       | .0220   | .0120  | 99       | .3400   | .3050  |
| 67       | .0240   | .0130  | 100      | .3630   | .3320  |
| 68       | .0260   | .0150  | 101      | .3880   | .3610  |
| 69       | .0280   | .0160  | 102      | .4150   | .3940  |
| 70       | .0310   | .0180  | 103      | .4470   | .4300  |
| 71       | .0340   | .0200  | 104      | .4860   | .4700  |
| 72       | .0370   | .0220  | 105      | .5340   | .5190  |
| 73       | .0410   | .0250  | 106      | .5870   | .5750  |
| 74       | .0460   | .0270  | 107      | .6500   | .6350  |
| 75       | .0500   | .0300  | 108      | .7320   | .7030  |
| 76       | .0550   | .0340  | 109      | .8520   | .8060  |
| 77       | .0600   | .0370  | 110      | .9999   | .9999  |

For ages prior to 45, the mortality rate is assumed constant at that age value.

Source: Experience of Industry-wide service pensioners 1978-1981.

ATTACHMENT F

3 PAGES

THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY  
RETIREMENT HEALTH BENEFITS - PLAN PROVISIONS

(See Response to Para. 26)



## **RETIREMENT HEALTH BENEFITS**

### **Amount of Company Contributions**

Effective March 31, 1995, the SNET Medical Plan for Retirees (the "Plan") shall be amended for all employees who retired (as defined under the Plan) from the Company on or after January 1, 1990 to provide that the amount of the Company contribution for coverage (in accordance with terms and provisions set forth herein) of a retired full-time employee under such Plan shall be increased to the amounts as reflected below:

- (i) Retired employees under age 65 - single coverage:  
\$3,300 per year.
- (ii) Retired employees under age 65 - joint coverage:  
\$6,800 per year.
- (iii) Retired employees age 65 and over - single coverage:  
\$775 per year.
- (iv) Retired employees age 65 and over - joint coverage:  
\$3,300 per year.

The amount of the Company contribution for coverage (in accordance with terms and provisions set forth herein) of a retired part-time employee shall be adjusted to be consistent with the amount of the Company contribution on behalf of such individual while an active employee.

### **Payment of Retired Employee Contribution**

The amount of retired employee contribution, if any, in excess of the Company contribution, as set forth above, shall be payable by the retired employee and shall vary based on whether the retired employee is under or over age 65 and elects single or joint health coverage in accordance with the 1989 Bargaining Agreement. In accordance with Internal Revenue Code Section 401(a)(13), if the employee has not received his or her pension benefits in a single lump sum, such required retired employee contribution may be deducted from the retired employee's monthly pension benefit for coverage under the Plan (unless the employee elects to waive contributory coverage). Notwithstanding any other provision herein, no retired employee shall be required to make a contribution towards the costs of obtaining coverage under the Plan prior to July 1, 1996; provided, however, that retired employees electing HMO coverage and retired part-time employees will continue to be required to make contributions for coverage, as applicable under the rules in effect as of December 31, 1989, as they may change from time to time.

### **Plan Provisions**

For employees who retire from the Company on or after January 1, 1990, the Plan shall provide substantially the same level and type of benefits as provided from time to time under the Plan for active bargaining unit employees (except with respect to coverage for prescription drugs, coverage for which will be provided under the prescription drug provisions of the SNET Medical Plan for Retirees).

Effective March 31, 1995, all employees on the active payroll or Eligible Leave of Absence as of March 31, 1995, and who retire on or after March 31, 1995 will be eligible for postretirement medical, dental and group life insurance benefit coverages under the terms of such retiree benefit plans, if, at retirement, the sum of the employee's age and service (each determined as completed years, months and days) is greater than or equal to 75 years.

### **Catastrophic Coverage Provisions**

The SNET Medical Plan for Retirees (the "Plan") will be amended to provide that any employee hired or rehired on or after March 31, 1995 and who subsequently retires from the Company will be eligible for postretirement health coverage that provides catastrophic coverage only, provided, however, that such employee shall not be entitled to any postretirement health coverage (catastrophic or otherwise) under the Plan if the sum of his or her age and service at the time of retirement (each determined as completed years, months and days) is not greater than or equal to 90 years. The Company reserves the right to offer the Catastrophic Plan as currently defined in the Plan or to offer a separate plan.

WORKSHEET 3

4 PAGES

THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY

COMPENSATION DATA

(See Response to Para. 29)

|                                 |                    |
|---------------------------------|--------------------|
| a) Total salary and wages       | 359,605,000        |
| b) Total benefits               | <u>128,338,000</u> |
| c) Total compensation           | 487,943,000        |
| d) Percentage to capital        | 6.2%               |
| e) Total to capital ( c * d)    | 30,252,000         |
| f) Total compensation (e + c)   | 518,195,000        |
| c) Total number of employees    | <u>9,830</u>       |
| Total compensation per employee | <u>\$52,700</u>    |

FCC REPORT 43-02  
ARMIS USOA REPORT  
Form M Schedule I-1

Approved by OMB  
3060-0395  
Expires 05/31/94

COMPANY: Southern New England Telephone  
STUDY AREA: Connecticut  
PERIOD: From JAN 1993 To DEC 1993  
COSA: SNCT

UNRESTRICTED VERSION  
SUBMISSION 2  
TABLE I-1  
PAGE 11 OF 11

TABLE I-1 - INCOME STATEMENT ACCOUNTS  
(Dollars in thousands)

| Row/<br>Row/Account<br>Number | Account Title                                    | Amount  |
|-------------------------------|--|---------|
|                               | (ba)   | (bb)    |
| 830                           | Total number of employees at the end of the year | 9,830   |
| 840                           | Number of full-time employees                    | 9,561   |
| 850                           | Number of part-time employees                    | 269     |
| 860                           | Total Compensation for the year                  | 421,394 |

Southern New England Telecommunications Corp. Employees and Wages - For Month of December 1993

SNET TELCO

| SCHEDULE D   | PREVIOUS MONTH<br>LINE 1-SCHED. C | CURRENT MONTH<br>LINE 1-SCHED. C | % OF<br>LINE 4 | INCREASE (DECREASE)<br>FROM PRIOR MONTH | PREVIOUS MO.<br>YEAR TO DATE<br>1993 | YEAR TO DATE<br>LINE 1-SCHED. C<br>1993 | % OF<br>LINE 4 | FROM<br>YEAR TO DATE<br>1992 | INCREASE (DECREASE)<br>FROM PRIOR YEAR<br>1992 |
|--|-----------------------------------|----------------------------------|----------------|---|--------------------------------------|---|----------------|------------------------------|--|
| ESTIMATED ALLOCATION                                 |                                   |                                  |                |   |                                      |   |                |                              |  |
| EARNINGS TO FINAL ACCOUNTS                           | (1)                               | (4)                              | (4)            |   | (2)                                  | (4)                                     | (4)            | (2)                          | (4)  |
| <b>TOTAL EARNINGS</b>                                | 31,742,477                        | 30,004,040                       | 94.5%          | 7,331,471                               | 302,320,000                          | 421,200,000                             | 94.5%          | 614,543,321                  | 9,004,226                                      |
| BALANCE IN CLEARING ACCOUNTS                         | 1472,074                          | 683,008                          | 94.5%          | 1,154,112                               | 82,005                               | 346,000                                 | 94.5%          | 440,000                      | 304,213  |
| <b>TOTAL TO RECEIVABLES (LESS OF BUSINESS)</b>       | 1,041,133                         | 1,508,481                        | 94.5%          | 487,280                                 | 12,104,100                           | 12,070,000                              | 94.5%          | 11,132,422                   | 2,540,287                                      |
| <b>TOTAL ALLOCATED (LINE 1 MINUS LINE 2 &amp; 3)</b> | 31,134,410                        | 30,074,410                       | 94.5%          | 5,700,081                               | 270,081,000                          | 409,000,000                             | 94.5%          | 400,970,370                  | 3,000,706                                      |
| PLANT CONSTRUCTION                                   | 1,000,007                         | 2,040,000                        | 94.5%          | 270,000                                 | 20,110,201                           | 22,100,000                              | 94.5%          | 20,300,000                   | (4,040,040)                                    |
| PLANT REMOVALS                                       | 200,000                           | 200,000                          | 1.0%           | 111,010                                 | 2,410,740                            | 2,720,000                               | 1.0%           | 2,000,000                    | (100,000)                                      |
| <b>TOTAL TO PLANT (LINE 5 &amp; 6)</b>               | 2,000,007                         | 2,400,000                        | 94.5%          | 381,010                                 | 22,520,941                           | 24,820,000                              | 94.5%          | 22,300,000                   | 14,200,011                                     |
| PLANT SPECIFIC EXPENSE                               | 0,200,740                         | 0,722,010                        | 20.4%          | 1,402,270                               | 80,300,000                           | 100,120,000                             | 27.0%          | 100,000,000                  | 3,000,102                                      |
| PLANT NON-SPECIFIC EXPENSE                           | 0,000,000                         | 0,000,000                        | 0.0%           | 0,000,000                               | 71,010,000                           | 77,000,000                              | 10.0%          | 70,000,000                   | (1,000,000)                                    |
| <b>TOTAL TO PLANT EXPENSE (LINE 8 &amp; 9)</b>       | 15,010,200                        | 10,720,010                       | 42.8%          | 1,402,270                               | 150,310,000                          | 177,120,000                             | 47.0%          | 170,000,000                  | 2,500,000                                      |
| TOTAL OTHER EXPENSE                                  | 15,207,000                        | 10,000,442                       | 50.7%          | 3,306,004                               | 177,360,000                          | 165,000,000                             | 48.0%          | 170,000,000                  | 10,360,000                                     |
| <b>TOTAL EXPENSE (LINE 10 &amp; 11)</b>              | 20,007,000                        | 24,400,000                       | 80.6%          | 5,307,266                               | 347,000,000                          | 342,120,000                             | 84.0%          | 300,000,000                  | 21,742,340                                     |

⑤ ÷ ⑥ = 6.2% percentage of capitalized labor

COMPANY: Southern New England Telephone  
 STUDY AREA: Connecticut  
 PERIOD: From JAN 1993 To DEC 1993  
 COSA: SNCT

UNRESTRICTED VERSION  
 SUBMISSION 2  
 TABLE I-1  
 PAGE 8 OF 11

TABLE I-1 - INCOME STATEMENT ACCOUNTS  
 (Dollars in thousands)

| Row<br>Acct<br>No. |                        | Total     | Salary<br>and Wages | Benefits | Rents  | Other<br>Expenses |
|--------------------|------------------------|-----------|---------------------|----------|--------|-------------------|
|                    | (aa)                   | (ab)      | (ac)                | (ad)     | (ae)   | (af)              |
| 6790               | Provis uncollect notes | 0         | N/A                 | N/A      | N/A    | 0                 |
| 710                | Total Corp Ops         | 148,210   | 57,228              | 15,151   | N/A    | 75,831            |
| 720                | Total Ops Exp          | 1,074,840 | 359,605             | 128,338  | 30,341 | 556,556           |
| 730                | Net Ops Rev            | 345,053   | N/A                 | N/A      | N/A    | N/A               |